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TRADE AND DEVELOPMENT BOARD  
Commission on Enterprise, Business  
Facilitation and Development  
Geneva, 20 January 1997  
Agenda item 3

ENTERPRISE: ISSUES RELATING TO AN ENTERPRISE DEVELOPMENT STRATEGY

Draft agreed conclusions

1. The Commission takes note of the secretariat document entitled "The changing nature of enterprises and competition and the implications for the formulation of an enterprise development strategy" (TD/B/COM.3/2) and of the proposed work programme contained therein.

2. The Commission recognizes the importance for developing countries, in particular least developed countries, and economies in transition, to develop enterprise development strategies paying attention to a number of factors at both the domestic and international levels:

- the changing and heterogeneous nature of enterprises and of international competition taking into consideration technological complementarities across industries, the rapid pace of technological change and the need for effective integration into global markets;
- the complex nature of the enterprise development process, which addresses the multiplicity and interaction of factors that underpin the growth and competitiveness of enterprises at both domestic and international levels, and which underlines the need for an integrated approach, encompassing inter alia supportive policies and instruments, innovation, inter-firm cooperation, government-business dialogue and the mobilization of financial resources, notably for SMEs;

- the importance of a coherent policy environment which links macro and micro policies, appropriately timed and sequenced, with firm-level efforts to attain and maintain competitiveness; and
- the importance of the role of the State, in creating an effective enabling environment, and in facilitating an enterprise culture, market networks conducive to entrepreneurship, innovation, and inter-firm cooperation, both internally and internationally.

3. The Commission recognizes that further analytical work and policy research within UNCTAD will be needed in particular areas and takes note of the proposals made in this regard:

- (i) the respective roles of government and the private sector, including NGOs, and the interactions between them in creating a coherent policy framework and setting up effective support measures and structures for the development of SMEs and micro-enterprises, in particular those in least developed countries;
- (ii) the possible value as well as the ways and means of promoting and facilitating effective inter-firm cooperation, including clustering, networking and technology partnership, both domestically and internationally, as an instrument in fostering the development and competitiveness of enterprises;
- (iii) the development of innovation, entrepreneurial and technological capabilities as essential inputs for the development and growth of enterprises;
- (iv) the short and long-term impacts of macro economic reform and liberalization on the development and growth of enterprises, particularly on SMEs.

4. The Commission decides to convene an expert meeting on item (i) and invites the secretariat to prepare an overview of work already done. Furthermore, the Commission invites governments to prepare contributions on this topic in order to facilitate and enrich the exchanges of country experiences. Such an approach will enable the Commission to examine and draw lessons from country experiences, and to identify policy elements which may be taken into consideration by governments in the formulation and implementation of enterprise development strategies.

5. The Commission requests that the secretariat begin analytical work and policy research on item (ii) and recommends that it start with an overview of work already done.
6. The Commission further requests the secretariat, in cooperation with other UN agencies, to provide a background note on information available on research bodies and other support institutions working in the area of enterprise development that might be constituted into a database, accessible, *inter alia*, via Internet.
7. The Commission requests the secretariat to develop further its technical cooperation activities in the area of enterprise development and, in cooperation with other competent UN organizations and agencies, to develop and expand the EMPRETEC programme. The Commission requests the secretariat to solicit contributions to extra-budgetary resources for this purpose.
8. The Commission stresses the importance of UNCTAD working in close cooperation with other UN agencies and international organizations in the implementation of its work programme and requests it to provide a report on the extent of this cooperation.